

(September 19, 1933)

## The Political Situation in England

BY SIR JOHN POWER, BART, M.P.

PRESIDENT SIFTON:—Today we have two gentlemen at the head table whom with your permission I will take the liberty of introducing. The first is Professor Charles Charteris, Professor of International Law University of Sidney; President of the Australian Institute of International Affairs, Roseacre, Turrumurra, N.S.W. The second is the Right Honorable F. S. Malan, Privy Councillor, member of the South African Senate, nominated from the South African party; Chairman of group, ex-minister of Mines and Industry and Prime Minister of South Africa in 1918 and 1919. These gentlemen are here from the Empire meeting at Hart House.

We have as guest of honor, Sir John Power. He is the Conservative member for Wimbledon, one of the founders, Honorary Treasurer and member of the Council of the Institute of National Affairs. That is a very creditable and very important institution with its headquarters in Chatham House, London. Sir John has been, I think, its most constant and valuable supporter and particularly he has seen the material necessities which must be attended to before anything of an idealistic nature may be carried out and in that regard he has been very generous indeed and has the gratitude of all the members. He is a member of the Committee of the Institute of Historical Research at London University, of the Empire Industries Association and of the League of Nations Union. He is also a delegate to the Commonwealth Conference. Sir John is a member of the Conservative party but one might say of the reforming ring of the Conservative party. Whether he is very close to Winston Churchill or Stanley Baldwin

he will more particularly explain when he speaks. However, he is a most ardent supporter of the League of Nations and spends a very great deal of time in the very valuable cultural and peace-promoting enterprises which centre around England. I have great pleasure in introducing Sir John.

SIR JOHN POWER:—It has been said with a great deal of truth that Great Britain's traditional dislike of more than two political parties in the State has been caused by the shape of the House of Commons, which consists of a long chamber, the benches arranged parallel to one another, with a broad corridor running down the centre. The Government occupy the benches on the right hand of the Speaker and the Opposition the left hand. Midway in these rows of parallel seats steps cut them in two, with the result that the benches nearer the Speaker are called "above the gangway" and those farthest from him "below the gangway". This shape of the House of Commons is different from the Continental model which is shaped like a horseshoe so that one has every shade of political opinion, from extreme Right to extreme Left gradually blending one into the other. You sit upon that side of the House which has fallen to the lot of your Party and you may be seated alongside a member whose opinions are not quite in harmony with your own, but proximity and the human element, coupled with the knowledge that you are probably there for some years, has the effect, to a large extent, of welding the Party into a homogeneous whole, and this makes for the upholding of Party discipline.

Nevertheless the huge world changes which came as a result of the War had their effect upon the House of Commons as upon every institution. Not only have we three Parties at present in the House of Commons, but the majorities recorded at recent elections have been so overwhelmingly in favor of certain Parties that they have been obliged to overflow into all quarters of the House. We now have the curious spectacle of every bench in the House of Commons, with the exception of six, occupied by supporters of the National Government who surround the small Independent Liberal Party and the official Socialist

Party on all sides. The capacity of the Chamber is only about three hundred and fifty seats and as there are some six hundred and fifteen members, it necessarily follows, when a first-class debate is on, that they overflow into the galleries and stand in crowds just outside the bar where they are technically outside the House and can take no part in the proceedings.

To describe the present position of the Political Parties in Great Britain today it is necessary to go back to 1924 when the Socialist Party, after being in office for a short time, was heavily defeated at the polls and a Conservative Government returned with a majority of over two hundred. At this Election Mr. Baldwin had given a pledge that he would not introduce Protection but would set up a Board to consider applications for the safeguarding of industries, where the industries could prove before an impartial Board that their trade and the livelihood of their workers was imperilled by unfair foreign competition, either caused by the low standard of living or the process known as "sweated".

For the duration of this Parliament, which ended in 1929, the Conservative Party's hands were tied on this issue and the Committee considering applications for safeguarding of industries carried out their duties with ruthless impartiality characteristic of the British Civil Service, and those industries which succeeded in proving their case were few and of little importance. Bitter complaints of the unfairness of the system were forthcoming and it was pointed out that no industry could hope to get a safeguarding measure passed in its favor until it was so hopelessly bankrupt that it could not afford to pay for the expenses of Counsel to put forward its case, whereas foreign competitors had no difficulty in finding the money to employ the best legal talent to oppose applications.

At the Election of 1929 the country returned an indecisive result, the Socialist Party being the largest, the Conservative Party the next and the Liberal Party a bad third. The Socialists took office and were maintained in power by the help of the Liberal Party. This was an astounding reversal of opinion so soon after the General

Strike of 1926 and it produced a lack of confidence in the stability of Great Britain, not only at home but abroad, and thus with interests at stake, particularly abroad, turned anxious eyes towards London.

The first Socialist Budget did nothing to allay these fears. It obviously did not represent the financial position of the country, the huge volume of debt incurred by the State in connection with unemployment measures was unprovided for and there were other items which gave rise to uneasiness. The Budget was vigorously attacked in England and while the controversy was going on foreign deposits in England began to be withdrawn and what started as a trickle eventually became a torrent. Matters came to a crisis in August of 1931 when the Socialist Government was faced with the necessity of introducing the enforcing drastic cuts in State expenditure, if the country was to continue upon the Gold Standard. At first they were willing to face the issue, but in the end, after agreeing to certain measures of economy, shirked the issue and resigned.

By this time it had become recognised that the affairs of state were in such a serious position that nothing short of a National Government, composed of all Parties, could save the situation since matters could only be put right by general agreement and that no single Party could hope to carry the necessary measures on a Party basis.

The National Government was therefore formed with the Labor Leader, Mr. Ramsay MacDonald, as Prime Minister. Nearly all his former ministerial colleagues refused office and went into the Opposition. The great question was what would Mr. Baldwin, the Leader of the Conservative Party, do? He only had a few hours in which to make up his mind and he acted in that self-sacrificing spirit which the country as a whole has come to expect from him. He put his country first, his Party second and consented to serve the State under the Leadership of Mr. MacDonald. The smaller Labor Party, consisting of something less than sixty members, also followed his lead and so we had a National Government consisting of all the Conservatives, all the Liberals and

some ten or fifteen Socialists who placed the greater loyalty of their country before the lesser loyalty of their Party.

The first National Government therefore possessed a majority of between fifty and sixty over the Socialist Party, which had gone into opposition.

The history of Great Britain's departure from the Gold Standard is so recent and so fully in the minds of everyone that it is unnecessary to go into great detail, but it may be mentioned that the run upon England's gold resources increased the fear which was too deep-seated to be reassured by the formation of the National Government. Fifty million pounds was borrowed from the United States and France, then another eighty million. Attempts were made to raise still further sums. To this final request France responded in the affirmative, but the United States definitely refused, and the result was that on September 20th, 1931, Great Britain was obliged to abandon the Gold Standard; but not until every golden sovereign in her possession was earmarked and every effort had been made to obtain that assistance which might have enabled us to tide over our difficulties.

It may be that the British race are a peculiar people. It may be that the sanctity of contracts upon which the whole commercial system of the world has been built is to them more than it is to other nations. Great Britain does not lightly confess her inability to meet her obligations but the inevitable had to be faced and September 20th, 1931 will ever remain a black day in our history when our whole people went into mourning.

The good sense of the British people came to the rescue; there was no panic, there was no hysteria, the people merely set their teeth and carried on with their work. The disasters which were feared never happened and Great Britain was helped in keeping her standard of internal prices level by the insane War-Debt policy which was accumulating gold in the cellars of the United States and France and that scramble for gold to pay the War Debts which was forcing the prices of primary products down all over the world.

It soon became manifest that the first National Government could not carry on with the uncertain and unstable majority which it possessed. A defection of thirty Liberal votes on a Division would have meant defeat and it soon became evident that a General Election must take place. There was much controversy among the supporters of the National Government, particularly in the Liberal Party, who feared that the results would not be favorable. Personally I never had the slightest fear.

A General Election proved that the heart of England was sound and never before in our history had it recorded its opinions with such overwhelming decision. The entire Socialist Party, who were stigmatised as rats who had deserted a sinking ship, was almost wiped out of existence and reduced in number to some thirty-five or thirty-six. All the Socialist Leaders, with one or two exceptions, were heavily defeated. Socialist majorities of twenty thousand were turned into minorities and the Socialist Party, on the reassembling of Parliament, found itself occupying a couple of benches under the leadership of that genial and universally respected Socialist, Mr. George Lansbury.

The National Government was empowered to take any step which it thought necessary to restore the national finances. This included authority to depart from the Free Trade policy which Great Britain had for so many years pursued. The objects in view were to maintain a balanced Budget and to redress the adverse balance of national payment which was held to be one of the most important objects to be achieved. The National Government acted with great rapidity. An all-round duty of ten per cent. was placed upon manufactured articles entering Great Britain and this was followed by measures of a similar nature until at last it was evident to the whole world that Great Britain had abandoned the Free Trade principle and was in a position to demand fair treatment from those countries with which she traded and who had hitherto turned a deaf ear to her protestations.

The Ottawa Conference was the signal for a break in the Nationalist ranks. Half the Liberal Party seceded from the Government and their Leaders, including Sir

Herbert Samuel, resigned their offices as a protest against the principles involved in negotiating the agreements. The other half of the Liberal Party, of practically equal strength and headed by Sir John Simon and Mr. Runciman, remained with the Government, accepted its policy and helped to implement it. Indeed, Mr. Runciman, who was formerly one of the staunchest Free Traders, was active in implementing the Government's fiscal policy. The Independent Liberal Party declared that they would support the National Government in general but not in such matters as involved the principle of Free Trade. It has not gone into active opposition, that is to say, it has not formally crossed the floor of the House, although it has been continually urged to do so. There was a sub-division of the Liberal Party in so much as Mr. Lloyd-George, at one time Leader of the Liberal Party, dissented from their action at the General Election and he, with his daughter, son and son-in-law formed an independent group which sits among the Socialists in the official Opposition.

At one time it was thought that the secession of the Liberals under Sir Herbert Samuel would be a bad blow to the National Government but as things have turned out it does not appear to have affected the Government's strength except in a minor degree. Nevertheless, there is the latent opposition of the Liberal Party which will almost inevitably develop into active opposition and this group, while only constituting five per cent. of the House of Commons, contains within its ranks a great amount of ability and in the course of time it is only natural to look for hostile criticism from this group.

Generally speaking the country is sick to death of Party politics. One hears the same sentiment on all sides. The idea of all Parties combining in the National interests appeals to the average man and it is quite safe to say that any Party which wilfully and wantonly destroys the national unity will incur the condemnation of the country.

Speaking as a Conservative, I consider that the Government is firmly seated in the saddle. Mr. Baldwin's action in taking office under Mr. Ramsay MacDonald has earned him the esteem of the whole country and under the

combined leadership of Mr. MacDonald and Mr. Baldwin the Government have passed legislation which would have been utterly impossible under Party government. Never, so far as I am, aware, in the history of any Parliament, have so many Acts been passed, nor has the business of the country been attended to so promptly. Although the debates go on much the same as usual, there is necessarily a lack of excitement over what is, to all intents and purposes, a foregone conclusion. The one difficult question in front of the Government is undoubtedly that of the future Constitution of India, but even here the Government gains in strength since both the Independent Liberal Party and the official Opposition agree with the Government's policy. The opposition to the White Paper proposals is provided by a comparatively small section of Conservatives, led by Mr. Winston Churchill and Lord Lloyd. Even here the opposition is weak since it does not condemn outright the Government's proposals so much as merely maintain that they go too far. They agree that large measures of reform and self-government must be granted to India, but the quarrel is as to how much it shall be. It is remarkable that with Mr. Winston Churchill leading the attack, this section of the Conservative Party has not gained more adherents. Mr. Winston Churchill is undoubtedly the most brilliant orator in the House of Commons, no one impugns his ability in this direction, nevertheless, attempts to stir up the Conservatives have, in my judgment, largely failed. India is an immense problem and no one is completely happy about the matter, but Great Britain is sincerely trying to carry out the promises that she has made in the past and the whole of moderate opinion agrees that this, with necessary safeguards for the protection of minorities and special interests, shall be carried out.

As to the policies of the various Parties; the Socialist Party still clings to its panacea that Socialism is the cure for all human ailments in spite of the fact that Socialism as a policy has failed in every quarter of the globe where it has been tried. Socialism also calls for State control of production and Banking, but they have yet to explain how a country like Great Britain, depending for its livelihood

upon export trade, could possibly maintain that export trade by Government control which eliminated individual competition.

I am diffident about endeavoring to describe the Liberal policy since I am a Conservative, but as far as I understand the matter the Independent Liberal Party stand for individualism and Free Trade. Doubtless some Liberal speaker may at some future date enlighten me as to what the Liberal policy is and how it differs from that of the Conservative Party. I must confess that I, in common with many other Conservatives, am mystified about the matter and fail to see any difference, except perhaps as regards Free Trade, and even on the Free Trade issue many Liberals seem to have entirely modified their attitude.

To turn to the Conservative Party; in my opinion we stand between Socialism and extreme individualism. We believe in what might perhaps be termed "paternal government", that is to say, we recognise that in a crowded country such as Great Britain with six hundred and sixty-eight living souls to the square mile, that the Government must exercise some control over individualism in the interests of the community as a whole. This policy has been exemplified in the Electricity scheme passed by the last Government and the London Passenger Transport Act passed by the present Government. The latter gives to the London Transport Board, which is outside the control of the Government, a monopoly with safeguards against abuses of the traffic systems radiating over twenty-five miles from the centre of London. This measure was rendered necessary by the chaotic condition into which the traffic systems of London had fallen, where all were allowed to compete as they chose and at their own free will with the result that certain lucrative stretches of road were crammed full of omnibuses plying for hire while the outlying portions, which were not so profitable, were left to look after themselves.

Moreover, the Conservative Party are supporting wholeheartedly all endeavors on the part of the Nationalist Government to regulate the various industries and agree to a certain measure of planned government. It

may be freely admitted that the Conservative Party has travelled with the times. It has adapted itself to the changing circumstances of the times and the changing needs of the people. It is a live Party which under wise and moderate leadership is compact, loyal and progressive, in the best sense of the word. Its Conservative common-sense prevents it trying wild-cat schemes. Its motto is "Hasten slowly", but yet it is not afraid to take a firm decision once it is convinced of the necessity.

No one can foretell the future of politics, but one can safely say that Great Britain has got a sane and stable Government; its finances are upon a secure and honest foundation; its trade is improving daily while other nations' trade is falling off; it has reduced its unemployment by over half a million in the last few months; it is reducing its adverse balance of national payments to vanishing point; it has resumed the leadership in world finance; its working people are better off than they have ever been in their lives. The savings of the working classes, as shown by the Post Office and Savings Bank Trustees Returns, have increased year by year and even in this unparalleled depression year show an increase of twenty-seven and three quarters million pounds. The main articles of working class consumption—tea, sugar and tobacco—have gone up per head in consumption. The cost of living has gone down and resulted in a net gain of something like twenty-two per cent. of real wages. All the countries of the world are crowding to Great Britain's doors to negotiate Trade Agreements with her; no longer is Great Britain compelled to stand helpless against hostile tariffs. Every agreement concluded, or about to be concluded, will give Great Britain a greater share of trade than she has formerly enjoyed and it is safe to say that Great Britain today stands like a rock in the shifting sands and once normal prosperity comes back to the world—as assuredly it will, and as it has always come back over the centuries—Great Britain's position in the world will be stronger and greater and more prosperous than anything she has hitherto known.

PRESIDENT SIFTON:—We have indeed been most fortunate in the addresses before this Club in the last few

days. We had Sir Herbert Samuel giving the Liberal enlightened view. We had Sir John giving views in many respects indistinguishable from those of Sir Herbert. Tomorrow we shall have Mr. Noel-Baker, member of the Labor Party. May I express the appreciation of the Club, Sir John, for your presence and very interesting address.